



## **Request for City Council Committee Action from the Department of Regulatory Services**

**Date:** April 29, 2014

**To:** Council Member Lisa Goodman, Chair – Community Development & Regulatory Services Committee

**Subject:** Nuisance Condition Process Review Panel (NCPRP) recommendation regarding appeal of Director's Order to Raze and Remove structure located at 2548 12<sup>th</sup> Avenue South

**Recommendation:** Adopt the findings of the Nuisance Condition Process Review Panel to uphold the Director's Order to Raze and demolish 2548 12<sup>th</sup> Avenue South so that it no longer constitutes a nuisance condition

**Previous Directives:** None

### **Department Information**

Prepared by: Scott Bockes, Problem Properties Unit Operations Analyst – (612) 673-5896

Approved by:

Nuria P. Rivera-Vandermyde, Director of Regulatory Services

Presenters in Committee: Farrokh Azmoudeh, PPU Supervisor – (612) 685-8456

### **Financial Impact**

- Action is within the Business Plan

### **Community Impact**

- Neighborhood Notification of NCPRP
- Consistent with City Goals

### **Supporting Information**

This matter came before the Nuisance Condition Process Review Panel on April 13, 2014. On October 19, 2012, a Director's Order to Raze the property was sent to the Estate of Mary Robertson, care of Mary Hall. In the appeal filed by Ms. Hall, she stated that the lot was in the process of being sold to developers who would either rebuild or renovate the property. The sale was to occur by December 31, 2012.

### **Background**

2548 – 12<sup>th</sup> Avenue South is a single family dwelling in the Midtown Phillips neighborhood. The 1½-story structure was built in 1923. The building is 3,098 square feet and sits on

5,735 square foot lot. It has 8 rooms, including 3 bedrooms and 1 bath. It is not owner occupied. The property has been determined to be substandard. The property sustained damage related to a fire which occurred on November 6, 2011.

Development Services staff has conducted a historic demolition review of the property. They have signed the wrecking permit and returned it to Minneapolis Development Review.

The estimated cost to rehabilitate the building is between \$90,678 and \$134,778. This is calculated based on the MEANS square footage estimate.

The CPED contracted appraiser has determined the estimated after-market rehab value to be \$160,000.

The estimated cost to demolish the structure is between \$22,000 and \$29,000.

The Midtown Phillips Neighborhood Association and the owners of properties within 350 feet of 2548 – 12<sup>th</sup> Avenue South were mailed requests for a community impact statement. The department received 2 responses; both stated that the property has a negative impact on the community and that the property should be demolished. The Nuisance Condition Process Review Panel recommends that the Director's Order to Raze the building located at 2548 – 12<sup>th</sup> Avenue South, Minneapolis, Minnesota, be upheld.

**CITY OF MINNEAPOLIS  
NUISANCE CONDITION PROCESS REVIEW PANEL**

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**In the matter of the Appeal of**

**Director's Order To  
Demolish the Property**

**FINDINGS OF FACT,  
CONCLUSIONS, AND**

**Located at 2548 12th Avenue S.  
Minneapolis, Minnesota.**

**RECOMMENDATION**

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This matter came on for hearing before the Nuisance Condition Process Review Panel on March 13, 2014, in City Council Chambers located in Minneapolis City Hall. Noah Schuchman, chair, presided and other board members present included Mike Rumppe, Denise Lingwall, and Elfric Porte. Assistant City Attorney Lee C. Wolf was present as *ex officio* counsel to the board. Wayne Murphy represented the Inspections Division of the Department of Regulatory Services. No one representing the estate of the deceased owner, Mary Robertson, appeared at the hearing. Based upon the Board's consideration of the entire record, the Board makes the following:

**FINDINGS OF FACT**

1. 2548 12<sup>th</sup> Avenue S. is a single family dwelling in the Midtown Phillips neighborhood. The one and a half story house was built in 1923. The building is 3,098 square feet and sits on a 5,735 square foot lot.

2. The property has been determined to be in substandard condition. The property was vacant and in the City's Vacant Building Registry in January of 2012, when it was subject to a

fire in February of 2012. The property was found boarded on February 12, 2012, and on April 20, 2012, the property was condemned for being a boarded building. The property remains vacant and boarded and has multiple outstanding orders for violation of the Minneapolis Housing Maintenance Code, these violations include but are not limited to : repair/replace windows, repair/replace roof, repair glass, paint exterior trim, replace/remove gutters, repair/replace cabinets/countertops, repair floors, repair ceilings.

3. The City Assessor's Office rates the overall building condition as fair.

4. On October 19, 2012, a Director's Order to Demolish the property located at 2548 12<sup>th</sup> Avenue S. was sent to Mary Robertson, based upon the Inspections Division of the City of Minneapolis' determination that the property at 2548 12<sup>th</sup> Avenue S. met the definition of a Nuisance under Minneapolis Code of Ordinances (hereinafter "M.C.O.") § 249.30. The applicable sections of M.C.O. § 249.30. provide that *(a) A building within the city shall be deemed a nuisance condition if:*

*(1) It is vacant and unoccupied for the purpose for which it was erected and for which purpose a certificate of occupancy may have been issued, and the building has remained substantially in such condition for a period of at least six (6) months.*

*(2) The building is unfit for occupancy as it fails to meet the minimum standards set out by city ordinances before a certificate of code compliance could be granted, or is unfit for human habitation because it fails to meet the minimum standards set out in the Minneapolis housing maintenance code, or the doors, windows and other openings into the building are boarded up or otherwise secured by a means other than the conventional methods used in the original construction and design of the building, and the building has remained substantially in such condition for a period of at least sixty (60) days.*

(3) *Evidence, including but not limited to neighborhood impact statements, clearly demonstrates that the values of neighborhood properties have diminished as a result of deterioration of the subject building.*

(4) *Evidence, including but not limited to rehab assessments completed by CPED, clearly demonstrates that the cost of rehabilitation is not justified when compared to the after rehabilitation resale value of the building.*

5. On November 9, 2012, an appeal was received from Mary Jackson Hall, acting on behalf of the estate of Mary Robertson. The appeal stated that “the property was being sold to two developers who will either build or renovate the property. We anticipate a close date to occur by December 31, 2012”.

6. After receiving the appeal from Ms. Jackson-Hall, Staff worked with her to develop a plan to rehabilitate the property. The property went through probate and an initial code compliance inspection was completed and staff discussed the rehabilitation process with multiple interested parties that were referred by Ms. Jackson-Hall. After several possible sales of the property fell through, all communication with Ms. Jackson-Hall ended in early January of 2014.

7. Pursuant to M.C.O. § 249.40(1) the building was examined by the Department of Inspections to ascertain whether the nuisance condition should be ordered for rehabilitation or demolition. Considering the criteria listed in M.C.O. § 249.40(1) the Inspections Department found:

a. The estimated cost to rehabilitate the building is \$90,678.00 to \$134,778.00 based on the MEANS square footage estimate. The assessed value of the property in 2011, was \$122,500.00. The assessed value in 2012 was \$80,000.00 and in 2013 the assessed value was \$50,000.00. The after rehabilitation value of the property is estimated at \$160,000.00 per the CPED contracted appraiser.

b. The Midtown Phillips Neighborhood Association and property owners within 350 feet of 2548 12<sup>th</sup> Avenue S., were mailed a request for community impact statements. The Department of Inspections received two (2) in response. Both responses stated that the property has had a negative impact on the neighborhood and recommended demolition.

c. The Preservation and Design Team staff conducted a historic review of the property finding that the property does not constitute a historic resource and the demolition permits have been signed and returned to Minneapolis Development Review.

d. The vacant housing rate in the Midtown Phillips Neighborhood was around 11.1% in 2010, of the approximately 569 houses on the city's Vacant Building registration, 14 are in the Midtown Phillips Neighborhood, a neighborhood of approximately 2,494 housing units.

8. Based on the condition of the property, the cost to rehabilitate and the after market rehab value the Department recommended that the property should be demolished in order to eliminate the nuisance condition the property constituted.

## **CONCLUSIONS**

1. The building located at 2548 12<sup>th</sup> Avenue S. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(1) as the building is vacant and unoccupied for the purpose for which it was erected and the building has remained in such a condition for a period of at least six months.

2. The building located at 2548 12<sup>th</sup> Avenue S. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(2) as the building is unfit for occupancy as it fails to meet the minimum standards set out by city ordinances before a certificate of code compliance

could be granted, or is unfit for human habitation because it fails to meet the minimum standards set out in the Minneapolis housing maintenance code, and the doors, windows and other openings into the building are boarded up or otherwise secured by a means other than the conventional methods used in the original construction and design of the building, and the building has remained substantially in such condition for a period of at least sixty (60) days.

3. The building located at 2548 12th Avenue S. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(3) as evidence, including but not limited to neighborhood impact statements, clearly demonstrates that the values of neighborhood properties have diminished as a result of deterioration of the subject building.

4. The building located at 2548 12th Avenue S. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(4) as evidence, including but not limited to rehab assessments completed by CPED, clearly demonstrates that the cost of rehabilitation is not justified when compared to the after rehabilitation resale value of the building.

5. The building located at 2548 12th Avenue S. meets the definition of a nuisance condition as defined by M.C.O. § 249.30 and a preponderance of the evidence, based upon the criteria listed in M.C.O. § 249.40, demonstrates that the building should be demolished. The Department has attempted to work with the owner for over a year and all plans to sell the property to someone willing and able to rehabilitate the property have fell through. The Department has not had contact with the owner for over three months and there are no current plans to sell or repair the property. With no clear plan by the owner to sell or rehabilitate the property, the property will continue to be a nuisance to the neighborhood.

### **RECOMMENDATION**

That the building located at 2548 12<sup>th</sup> Avenue S., Minneapolis, Minnesota, be demolished so that it no longer constitutes a nuisance condition.

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Noah Schuchman  
Chair, Nuisance Condition Process Review Panel